

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE MIDWAY CITY  
SANITARY DISTRICT OF ORANGE COUNTY  
14451 CEDARWOOD AVENUE  
WESTMINSTER, CA 92683**

**August 6, 2013**

**CALL TO ORDER**

President Cobo called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, August 6, 2013 at 4:00 P.M.

**BOARD MEMBERS PRESENT:**

Al P. Krippner  
Joy L. Neugebauer  
Frank Cobo  
Margie L. Rice  
Tyler Diep

**OTHERS AT MEETING:**

Ken Robbins, General Manager  
Robert Housley, HR/Finance Director  
Tom Nixon, District Counsel  
Joseph Larsen, Labor Counsel  
Danielle Gerardo, Board Secretary  
Jeff Snow, Pres. Rainbow Environmental  
Doug Morino, Reporter, Orange County Register

**PLEDGE AND INVOCATION**

Director Diep led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

**PUBLIC COMMENTS**

None

**APPROVAL OF THE MINUTES OF THE MEETING OF JULY 2, 2013**

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the meeting of July 2, 2013, as revised. The motion was approved by a 5-0 vote.

## APPROVAL OF THE MINUTES OF THE MEETING OF JULY 16, 2013

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of July 16, 2013. The motion was approved by a 5-0 vote.

## APPROVAL OF THE MINUTES OF THE ADJOURNED MEETING OF JULY 17, 2013

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of July 17, 2013. The motion was approved by a 5-0 vote.

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$413,896.83

#	CK #	Date	AMOUNT	VENDOR
1	6209	8/1	220.68	<b>Advanced Gas Products</b> -Cylinder Rental for June 2013;Restock(1)Cylinder Compressed Gas,(4)Boxes
2				of Gloves.
3	6210	8/1	261.00	<b>Advanced Workplace Strategies</b> - Drug Screenings (JS, JC, MH)
4	6211	8/1	113.40	<b>Bodyworks Equipment</b> - (4) Relays for Restock
5	6212	8/1	120.00	<b>Business Radio Licensing</b> - Radio License Renewal through January 18, 2015
6	6213	8/1	1,146.38	<b>Chemsearch, Inc.</b> - (120lbs) Maxi-Lube Lubricant for Restock
7	6214	8/1	58,515.33	<b>City of Westminster</b> - Gasoline & Diesel Usage from April through June 2013
8	6215	8/1	737.00	<b>Computer Research Center</b> - Maintenance & Support for August 2013
9	6216	8/1	92.40	<b>Cummins Cal Pacific</b> - (1) Clamp for Restock; (1) Clamp for T62
10	6217	8/1	5,072.64	<b>Daniels Tire Service</b> - (8) New Tires, (6) Recaps, (1) Repair for Restock
11	6218	8/1	415.74	<b>G&amp;K Services</b> - Uniform Services for July 2013
12	6219	8/1	557.45	<b>Golden Trophy &amp; Awards Co</b> -Past & Present Board Member' Plaque,Plates,Engraving for District Office
13	6220	8/1	25.31	<b>Grainger</b> - (1) Temp Gauge for T53
14	6221	8/1	267.79	<b>ID Industries</b> - (12) Belts, (2) Air Cylinders for Restock
15	6222	8/1	270.00	<b>Konecranes</b> - Inspection & Preventative Maintenance for July 2013
16	6223	8/1	1,548.81	<b>Los Alamitos Napa Auto Parts</b> - (56) Hose Ends, (10) Tape, (4) Relays for Restock
17	6224	8/1	7,698.21	<b>Los Angeles Freightliner</b> - Engine Service & Parts for T60
18	6225	8/1	2,194.96	<b>Maxx Air</b> - Filter Cleaning for T51, T52, T53, T56, & T62
19	6226	8/1	240.00	<b>Memorial Care Medical Group</b> - Drug Screenings (JC, JS, MH, CR)
20	6227	8/1	146.90	<b>Neugebauer, Joy</b> - Health Insurance Reimbursement for August 2013
21	6228	8/1	21,725.40	<b>Otto Environmental Systems</b> - (456) 95 Gallon Blue Carts for Restock
22	6229	8/1	208.88	<b>PSI</b> - (2) Pump Protectors, (1) Pump Oil for Restock
23	6230	8/1	4,048.00	<b>Rufan &amp; Tucker</b> - Legal Services for June 2013
24	6231	8/1	40.00	<b>Salce, Juan</b> - Reimbursement for Driver License Renewal
25	6232	8/1	926.15	<b>Santa Ana Diesel</b> - Labor & Parts for T57
26	6233	8/1	2,837.00	<b>Scott Harrison Plumbing &amp; Heating</b> -Labor & Parts to Replace District and Refuse Offices' Water Heaters
27	6234	8/1	124,503.00	<b>SDRMA</b> - Total Contribution for Property/Liability Coverage for FY 2013-14

28	6235	8/1	22,102.00	<b>SDRMA</b> - Workers' Compensation Payment for 1st Quarter (July 1 - September 30) FY 2013-14
29	6236	8/1	1,511.99	<b>Snap-On Tools</b> - (1) Pocket IQ Kit Scanner for Shop
30	6237	8/1	516.47	<b>Tec Of California</b> - (1) Seatbelt for T55; (1) Seatbelt for Restock
31	6238	8/1	7,434.00	<b>Woodruff, Spradlin &amp; Smart</b> - Legal Services for June 2013
32				
33			<b>265,496.89</b>	<b>SUBTOTAL</b>
34				
35				<b>ADD HANDCUT CHECKS:</b>
36	6195	7/16	100.00	<b>Juan Salce</b> - Five Year Safety Award 07/17/2013
37	6196	7/29	117.72	<b>AT&amp;T</b> - Brookhurst Lift Station Service for July 2013
38	6197	7/29	132.51	<b>The Gas Company</b> - District Office & Maintenance Yard Fees for July 2013
39	6198	7/29	214.09	<b>Office Max</b> - Restock District Office Supplies
40	6199	7/29	3,131.73	<b>Southern California Edison</b> - Archives & Parking Garage \$69.40, District Office \$937.55,
41				Maintenance Shop \$262.74, Brookhurst Lift Station \$168.73, Westminster Lift Station \$523.59,
42				Willow Lift Station \$363.95, Hammon Lift Station \$805.77 .
43	6200	7/29	183.24	<b>First Bankcard (NC)</b> - Restock District Kitchen Supplies
44	6201	7/29	462.46	<b>Verizon Business</b> - Internet Connection for SCADA System for June 2013
45	6202	7/29	23,722.28	<b>CalPERS Retirement</b> - Retirement Contributions for June & July 2013
46	6203	8/1	46,165.04	<b>CalPERS Health Premium</b> - Healthcare Premium for August 2013
47	6204	8/1	3,569.81	<b>MetLife</b> - Monthly Dental Premium for August 2013
48	6205	8/1	797.75	<b>The Standard Life Insurance</b> - Premium Coverage for July 2013
49	6206	7/31	992.74	<b>Verizon California</b> - District Office Phones & Lift Stations for July 2013; \$539.14 District Office,
50				\$151.20 Willow Lift, \$151.20 Westminster Lift, \$151.20 Hammon Lift.
51	6207	8/1	3,516.04	<b>US Bank - (\$1,656.76 KR)</b> Binders & Cardstock for District Offices; Retirement Watch for Ralph Gonzalez;
52				MWDOC Water Policy & Forum 7/24/13(AK);State of the City Luncheon 7/30/13(FC,MR,JN,TD,AK,
53				KR,RH);Sympathy Flowers for Waller Family 7/10/13;CSDA Hotel Res 9/15-9/18/13 (FC,JN,MR,KR);
54				Wiarcom Monthly Service for July 2013.(\$206.43 Dge)Board Meeting Refreshments for 6/25,7/02,7/16
55				(\$8.61 DGr) Restock Sewer Supplies. (\$675.19 NC) Repair Radio for T9; Restock Gloves for Refuse;
56				Retirement Luncheon for Ralph Gonzalez. (\$969.05 RH) CMTA Renewal for FY 2013-14; Subscription to
57				OC Register for District Offices;Overnight Pkg to CalPERS;Water Usage for District,Refuse,Maintenance
58				Offices 05/15-07/09/13; Remington Monthly Service for July 2013.
59	6208	8/1	325.26	<b>AT&amp;T Mobility</b> - Service for July 2013: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
60				Sewer 714-310-8654, Emergency 714-310-9004.
61				
62			<b>348,927.56</b>	<b>SUBTOTAL PLUS HANDCUTS</b>
63				
64				<b>PAYROLL</b>
65		7/16	726.92	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
66		7/16	1,238.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
67		7/23	54,760.45	Payroll - Staff Check # 115519 - 15520 Taxes & Direct Deposits
68		7/23	1,160.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
69		7/23	801.92	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
70		7/26	5,815.18	Board of Director's Payroll for the Month of July 2013 Chk # 15522 - 15525
71		7/26	466.80	Board of Director's Nationwide Deferred Compensation for July 2013 (100% Paid By Directors)
72			<b>413,896.83</b>	<b>TOTAL EXPENDITURES W/PAYROLL</b>
73				
74				<b>BANK TRANSFERS</b>
75			1,000,000.00	Transfer Funds from LAIF to Checking Account
76			300,000.00	Transfer Funds from Money Market to Checking Account

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$413,896.83, as presented. The motion was approved by a 5-0 vote.

## **REPORTS**

### **Report of President**

None

Director Diep left the meeting at 4:15 P.M. and returned at 4:21 P.M.

### **Report of General Manager**

GM Robbins reported that he will be getting estimates from a contractor for replacement of the stucco molding on several of the doors of the District offices as they are collapsing due to termite damage.

Director Neugebauer asked if staff had given any thought to having the termites exterminated from the buildings because it might be cost effective to do it at the same time.

GM Robbins stated that he would look into how best to arrange it because the District office would need to be closed on a Friday and the following Monday in order to have as little down time as possible.

GM Robbins reported that, following the article regarding the District's 374% reserves in the Orange County Register Watchdog section this past weekend, the District has received no calls.

GM Robbins reported that the annual Boys and Girls Club golf tournament will be on Monday, August 19, 2013.

### **Report from Orange County Sanitation District Meeting (OCSD)**

Director Diep reported that there was a meeting of the full Board on July 24, 2013, but that he was unable to attend due to work. Director Krippner, who is the OCSD alternate representative for the District was also not able to attend.

Director Diep followed up on the meeting and was able to report that there was discussion regarding the employees of OCSD who are all part of the Orange County Employees Retirement System (OCERS). The payments of the pension liability made to all employees prior to 2013 were to be spread out over 30 years, which works similar to a mortgage. As of 2013, OCERS voted to spread the payments out over 25 years to shorten the period and pay less interest, although the quarterly payment is higher. It was being opposed by the Treasurer/Tax Collector, who is also a member of the

OCERS Board, and who is asking the OCSD Board to reconsider that vote. Other members of the OCSD Board would like OCER to leave the current payment plan in place. There will be a vote on this in a few weeks.

### **Report from the Retirement Luncheon in Honor of Rafael Gonzalez**

The entire Board attended the luncheon for retiring solid waste driver, Rafael Gonzalez, and remarked on his 33 and 1/2 years of service to the District. He had family in attendance and was happy with the engraved watch that he received. Everyone on the Board agreed that he would miss his other "family" at Midway City Sanitary District.

### **Report from the 75 Year Anniversary Committee Meeting**

Director Rice reported that the art departments at the local high schools will soon be receiving a letter from the District explaining the contest which entails decorating a blue recycle cart for the District's 75<sup>th</sup> anniversary. The winner of the contest will receive a \$100 gift certificate, and have their winning entry at the District's open house, as well as recognition on the District website. For the 75<sup>th</sup> anniversary there will be tours of the District and GM Robbins is looking into food for the event. Pens, coffee cups and plastic cups with the District's logo have been ordered for the event.

Director Neugebauer reported that they were staying within the budget of \$7,575. The Westminster Chamber of Commerce Mixer for the event will take place in January of 2014, and the community Open House at the District is scheduled for April of 2014.

Director Neugebauer stated that she was happy with the plaque with all of the District Board members' names and dates of service that has been hung on the Boardroom wall, and she requested that staff put the 75 Year Anniversary information on the District's website.

### **Report from Safety Day**

President Cobo and the rest of the Board attended Safety Day, and remarked that it was very well attended this year. District employee and Lead Fleet Maintenance Mechanic, Juan Salce, seemed to enjoy letting the kids climb into the solid waste truck and blow the air horn.

Director Rice stated that a large number of calendars, coloring books and crayons were handed out.

### **Report from Second, Third and Fourth Concert in the Park**

Directors Cobo, Diep, Krippner, Neugebauer and Rice attended several of the Concerts in the Park on Thursday nights during the summer. Everyone commented on the good bands that had performed this year.

Director Neugebauer remarked that there was a greater demand for the District's calendars than before.

### **Report from Metropolitan Water District of Orange County (MWDOC) Water Policy Forum**

Director Krippner stated that he was disappointed in the speaker at the MWDOC Water Policy Forum, that attendance was low, and that he left his notes regarding the event at home and would report on the event at a later date.

### **Report from Westminster Chamber of Commerce State of the City Luncheon**

The full Board attended the Westminster Chamber of Commerce State of the City luncheon.

Director Rice stated that there were a lot of officers from other cities in attendance and that Westminster Mayor Tri Ta gave an eloquent speech.

Director Neugebauer stated that the speech was positive, tied the city and the community together, and asked for everyone's cooperation.

### **CONSENT CALENDAR**

A. Approve Attendance of Finance/HR Director Robert Housley to the CalPERS Education Forum October 21-23, 2013

B. Approve Drivers Safety Training for Midway City Sanitary District Commercial Drivers

A motion was made by Director Rice, seconded by Director Diep to approve the consent calendar. The motion was approved by a 5-0 vote.

### **OLD BUSINESS**

A. Consider Scheduling a Workshop to Review the District's Manual on Adopted District Policies

A motion was made by Director Neugebauer, seconded by Director Rice to schedule a workshop to review the District's manual on adopted District policies on Tuesday, August 27, 2013 at 4 P.M. at the District office. The motion was approved by a 5-0 vote.

## **NEW BUSINESS**

### **A. Consider Scheduling a Study Session to Review the Midway City Sanitary District's Reserves and Reserve Policy**

A motion was made by Director Neugebauer, seconded by Director Rice to schedule a study session to review the District's reserves and reserve policy on Tuesday, September 10, 2013 at 4 P.M. at the District office. The motion was approved by a 5-0 vote.

### **B. Discussion of Board of Director's Days of Service and Travel Policies**

Director Neugebauer stated her concern that special events have not been put on the consent calendar for Board approval since the Board approved their days of service policy, and that attendance to Board approved events need to be placed on the consent calendar in order for travel, registration, per diem and mileage be reimbursed for those events. Director Neugebauer stated that MCSD was the only sanitary district that the Orange County Grand Jury gave a AA rating to for transparency last year, and should remain that way. She asked that the practice of putting special events on the consent calendar for Board approval be put into practice again or, as Treasurer, she would not be approving any expenditures for those items.

A motion was made by Director Neugebauer, seconded by Director Rice to return to the District's previous practice of putting all special activities on the consent calendar for Board approval. The motion was approved by a 5-0 vote.

### **C. Review and Discuss Revisions to the District's Purchasing Policy**

Director Neugebauer asked several questions and made suggestions for revision to the District's purchasing policy.

Director Krippner stated that he understands, but objects to, the piggybacking theory and practice.

A motion was made by Director Neugebauer, seconded by Director Rice to incorporate the revisions made by the Board into the purchasing policy and bring it back for final Board approval. The motion was approved by a 5-0 vote.

### **D. Discussion of Design/Build and Operation/Maintenance of a Compressed Natural Gas (CNG) Fueling Facility within the Midway City Sanitary District Yard**

GM Robbins stated that Special Districts cannot do design/build unless the total project cost is over \$2.5 million and is estimating that the District's CNG fueling facility will cost approximately \$1 million. The District will need to hire an engineer to produce a full set of plans to protect the District and will cost an additional \$40,000 or so.

GM Robbins stated that staff will be recommending that the Board begin taking proposals from engineers with specifications for the project on the next agenda.

Director Neugebauer stated that she would prefer that this come back onto the agenda after a tour of a CNG fueling station because the Board has not made a decision as to whether or not to have a private or public station. The rest of the Board agreed.

GM Robbins stated that the Board did tour Rainbow Environmental's fueling station a few years ago, but that he has requested a tour from Clean Energy and is waiting to hear back from them.

No action was taken on this item at this time.

#### E. 4<sup>th</sup> Quarter Financials (07/01/12 through 6/30/13) – Fiscal Year 2012/2013

Finance/HR Director Housley gave an overview of the District's 4<sup>th</sup> quarter financials and stated that Standard & Poor has reaffirmed the District's AAA rating on its bond in October 2013, and the Orange County Grand Jury gave the District an A rating and placed the District on their gold honor roll for transparency and clarity of content on the website with regards to compensation of benefits information. MCSD was one of three Districts to be placed on the gold honor roll and the only sanitation district in the County of Orange to receive that honor.

Director Rice stated that any repairs necessary to the District headquarters should be done as soon as possible because she is worried that the State of California will take the District's reserves if they are available.

GM Robbins stated that the Board requested a tour of a CNG fueling facility prior to starting its own.

Director Neugebauer asked what the timeline is for a couple of new CNG trucks for the District as well as the fueling facility.

GM Robbins stated that it will take approximately 9 months to a year.

President Cobo asked staff to arrange for a tour as soon as possible in order to get the project underway.

#### F. Approval of Repairs to Westminster Lift Station Pump

A motion was made by Director Rice, seconded by Director Neugebauer to follow staff's recommendation and approve the repairs to the Westminster lift station pump. The motion was approved by a 5-0 vote.

Legal counsel Nixon asked the Board to make a motion regarding the 4<sup>th</sup> quarter financials that were presented.



A motion was made by Director Rice, seconded by Director Neugebauer to receive and file the Districts 4<sup>th</sup> Quarter financials. The motion was approved by a 5-0 vote.

A motion was made by Director Neugebauer, seconded by Director Rice to make a special allowance to hear a public comment since that portion of the agenda is passed. The motion was approved by a 5-0 vote.

Jeff Snow, President of Rainbow Environmental Services, reported that CalRecycle personally informed him that the best commercial recycling program in the State of California is Lexus of Westminster which is located in the Midway City Sanitary District.

Mr. Snow also thanked the Board for their support for the 4<sup>th</sup> of July firework stand recycling program that was implemented and stated that it was a huge success.

## **INFORMATIONAL ITEMS**

A. Over-The-Top Program Second Quarter 2013 Report

B. Web Site Activity for the Month of July 2013 (38,541 Successful Hits)

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file the informational items. The motion was approved by a 5-0 vote.

Director Rice suggested that the Board do its concerns and comments after the closed session.

President Cobo convened the meeting for a five minute break at 5:35 P.M.

President Cobo called the meeting back into session at 5:44 P.M. and immediately convened to a closed session.

## **CLOSED SESSION**

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time as the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

A. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6) Agency Designated Representatives: General Manager Robbins, Finance Director Housley and Labor Counsel Joseph Larsen, Employee Organization: American Federation of State, County, and Municipal Employees, LOCAL 1734-01

President Cobo reconvened the meeting at 6:10 PM.

Legal Counsel stated that there was no reportable action taken due to the closed session.

### **BOARD CONCERNS/COMMENTS**

Director Neugebauer stated that this week's concert in the park was the last and that the District should plan to have more calendars available for handout.

### **GM/STAFF CONCERNS/COMMENTS**

GM Robbins stated that he would arrange for a tour of a CNG station as soon as possible for the Board.

Finance/HR Director Housley stated that the Board members should have each received a copy of the 2013/2014 budget and stated that it is not yet on the website as the auditors have been in house for this week.

### **GENERAL COUNSEL CONCERNS/COMMENTS**

None

### **ADJOURNMENT**

President Cobo adjourned the meeting at approximately 6:13 P.M.

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Margie L. Rice, Secretary